

Peru, Land of Three Worlds, Progressing Under Caretaker Regime

(Editor's note: Following is the second in a series of five articles prepared by Phil Newsom. UPI foreign news analyst, after a tour of South American countries.

By PHIL NEWSOM
UPI Foreign News Analyst
Lima, Peru — The Andes Mountains rise in a jagged, sawtoothed jumble at Lima's back, dividing Peru into three worlds, the coast, the

high sierra and the jungle. Lima, a mixture of new and an ancient Spanish culture, lies on the first of these, the coast. It is the home of Julio Danta, a bright-eyed youngster who hopes to become a petroleum engineer. Andres Quisbe, a direct descendant of the Incas, lives in the second, the high sierra. He is one of six million who live in misery on pennies per day. Quisbe is addicted to the

coca leaf, the source of cocaine, and he has no hope. But he is stirred by a vague and sometimes violent unrest. The third world is the sparsely populated jungle, still in pre-historic days, its riches still untapped. These are the worlds that Peru must unite if it is to fulfill its future and escape the shadow of communism which seeks to engulf it. And time is pressing hard.

Peru's allocations from the Alliance for Progress so far total \$123 million, much of which has not yet been used by Peru's caretaker military government. But the government is instituting land and government reforms and has promised free elections for June 9 to restore democratic processes interrupted by a bloodless coup last July. Immense wealth is concentrated in Lima, most of it in the hands of a few families. But there also is a burgeoning middle class emerging in an economy which is among the

most diversified and stable in all of South America. Here there is no runaway inflation. The rise in the cost of living has been limited to one or two per cent per year. Gross national product is advancing at a rate of better than five per cent a year, comparing favorably with most countries of the world. **New Industry Grows**
In the last four or five years a new industry, fishing, has come to Peru. Fish meal pours an annual \$100 million into the Peruvian economy and is now Peru's No. 1 export.

Contributing nearly as much are cotton and copper. Also high on the list are petroleum and sugar. These are the symbols of Peru's wealth. But symbols of the poverty are the adobe shacks which stretch out endlessly on the barren sands sloping downward toward the Pacific and Lima's port of Callao. An Alliance for Progress housing project is going up here for the relief of Lima's slum dwellers. It is called Ventanilla and is designed eventually to house 25,000

people. Some 2,000 are there now. But the \$30 million project is 15 miles from the city and transportation is poor. Many who need it most cannot travel that far. **Nation's Chief Concern**
Andres Quisbe's village is called Huancarani. It is 20 miles from Cuzco, two and a half hours by air and centuries away from Lima. Quisbe's diet, such as it is, is a monotonous repetition of corn, barley, beans and such tubers as the potato or the oca. His solace is the coca leaf.

Through centuries of descending misery, Quisbe has been Peru's forgotten man, laboring for pennies on the cattle, coffee, tea or wheat plantations and living in huts amid the filth of his animals. Quisbe is the No. 1 concern of the military junta. And of the Lima politicians. **Better Days Ahead**
Quisbe's poverty is less than that of some, and a better life may be on the way. In La Convencion Province of Cuzco Department, in late March, the government began distribution of 6,000 acres of land taken over under the

land reform program. More will follow and along with it will come teachers to supply modern methods and pools of farm machinery to work the land more efficiently. Among the 200 U.S. Peace Corps workers in Peru, approximately 40 are assigned to the Cuzco area. Primarily they work now under the U.S. Food for Peace program. Later will come teachers and engineers. At another day will come roads into the Andes valleys and into the jungle. And on that day, Peru will begin the union of its three worlds.

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Status of Bills in Congress

Washington — UPI — Status of major legislation:

Income Taxes — President asking rate reductions and some income-boosting revisions to give a net cut of \$10.3 billion in individual and corporate rates over three years. House — hearings completed, ways and means committee considering at closed door sessions. Senate — awaiting House action.

Mass Transit — Kennedy proposed \$500 million in subsidies to improve city rail, bus and subway services. House — Banking committee approved bill, awaiting rules committee clearance. Senate — approved \$375 million program.

Education — Kennedy requested \$5.3 billion across-the-board school aid program. House — Education committee hearings under way. Senate — Nothing scheduled.

Health Insurance — President wants hospitalization program for persons 69 and older financed through social security. House — Ways and Means committee hearings expected this summer. Senate — Awaiting House action.

Foreign Aid — Administration is asking \$4.5 billion. House — Foreign Affairs committee hearings under way. Senate — Nothing scheduled yet.

Medical Schools — Administration asked long range construction aid for medical schools, loans to students. House — passed three-year program that would cost \$236 million. Senate — Nothing scheduled.

Military Pay — Administration proposed \$1,238,526,000 annual pay and benefit increases for nation's 2,700,000 servicemen, 900,000 reservists and 411,000 retired military men. House — Bill approved by Armed Services committee would cost \$47 million less, deny increases for those men (832,000 draftees and enlistees) who are serving their first two years. Senate — Nothing scheduled.

Youth Employment — Kennedy asking new \$100 million youth conservation corps for outdoor work in forests and parks; home town youth corps for local civic projects. House — Education committee has approved. Senate — Passed.

Domestic Peace Corps — President asking for new organization of 1,000 to 5,000 skilled volunteers to carry out work in this country similar to peace corps projects abroad. \$5 million first year cost. House — Nothing scheduled.

Bonn — UPI — West German Defense Minister Kai-Uwe von Hassel said Monday a North Atlantic Treaty Organization nuclear force must be created to bind Europe and the United States together and end isolationism on both sides of the Atlantic.

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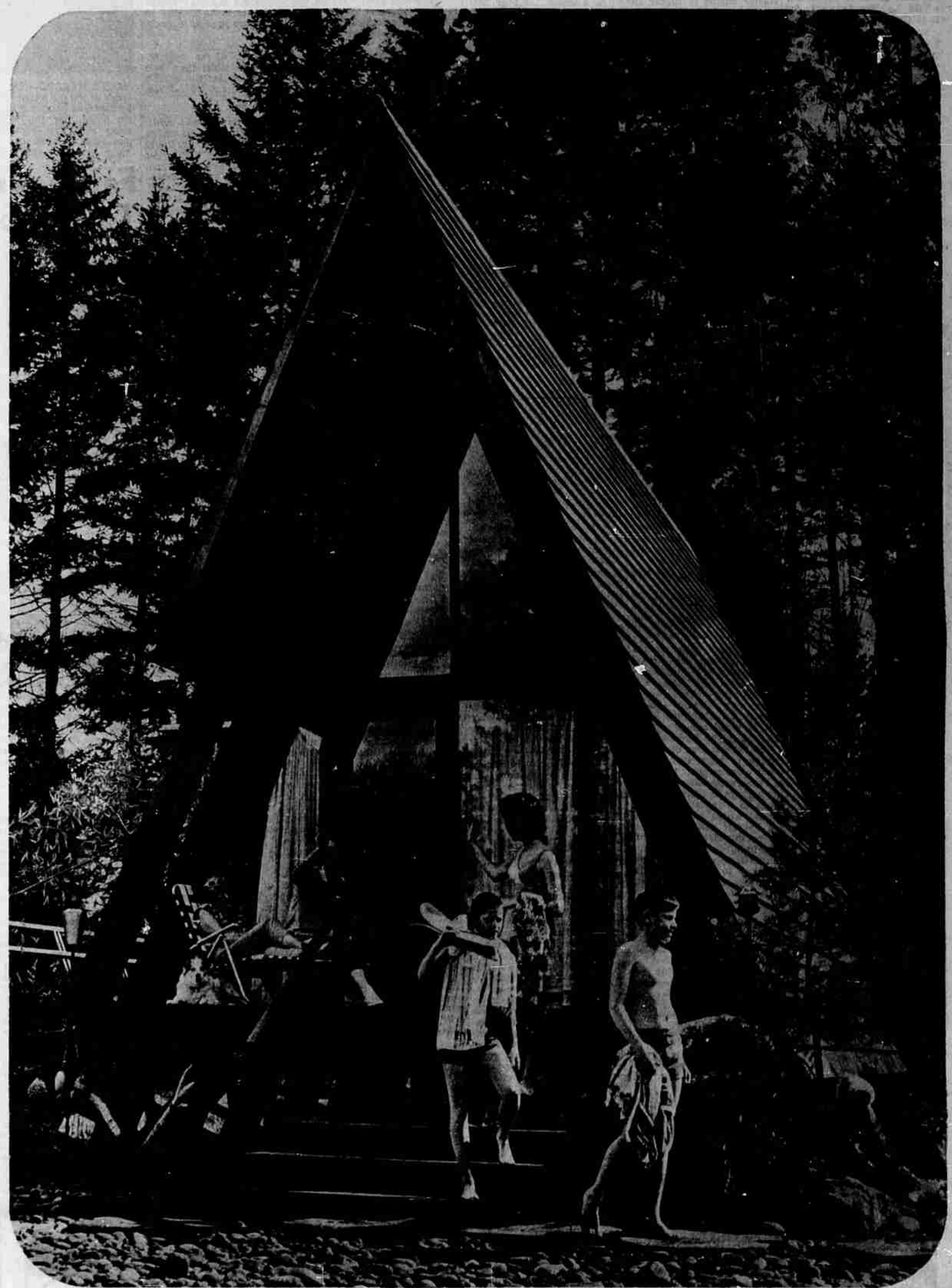
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